



Billing Code: 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[C-570-931]**

**Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China:**

**Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on circular welded austenitic stainless pressure pipe (WSPP) from the People's Republic of China (China) would be likely to lead to continuation or recurrence of a countervailable subsidy at the levels indicated in the "Final Results of Sunset Review" section of this notice.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Eric Greynolds, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6071.

**SUPPLEMENTARY INFORMATION:**

Background

On March 19, 2009, Commerce published in the *Federal Register* the CVD order on WSPP from China.<sup>1</sup> On August 12, 2014, at the conclusion of the first sunset review, Commerce issued a notice of continuation of the *Order*.<sup>2</sup> On June 4, 2019, Commerce published the notice of initiation of this second sunset review of the *Order*, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).<sup>3</sup> On June 13, 2019, Commerce received a notice of intent to participate in the sunset review from Bristol Metals, LLC, Felker Brothers Corporation, and Webco Industries (collectively, domestic interested parties).<sup>4</sup> On June 18, 2019, Commerce also received a notice of intent to participate in the sunset review from Primus Pipe & Tube, Inc. (Primus Pipe).<sup>5</sup> The domestic interested parties and Primus Pipe claimed interested party status under section 771(9)(C) of the Act, as manufacturers in the United States of the domestic like product.<sup>6</sup>

On June 28, 2019, pursuant to 19 CFR 351.218(d)(3)(i), the domestic interested parties filed a timely and adequate substantive response.<sup>7</sup> On July 5, 2019, Primus Pipe stated its support for the substantive response filed by the domestic interested parties.<sup>8</sup> Commerce did not receive a substantive response from the Government of China or a respondent interested party to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR

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<sup>1</sup> See *Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Countervailing Duty Order*, 74 FR 11712 (March 19, 2009) (*Order*).

<sup>2</sup> See *Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Final Results of the Expedited Sunset Review of the Countervailing Duty Order*, 79 FR 32911 (June 9, 2014).

<sup>3</sup> See *Initiation of Five-Year (Sunset) Reviews*, 84 FR 25741 (June 4, 2019).

<sup>4</sup> See Domestic Interested Parties' Letter, "Welded Stainless Steel Pressure Pipe from China: Notice of Intent to Participate," dated June 13, 2019 (Domestics' Notice to Participate).

<sup>5</sup> See Primus Pipe's Letter, "Circular Welded Austenitic, Stainless Steel Pressure Pipe from China: Notice of Intent to Participate," dated June 18, 2019 (Primus Pipe's Notice to Participate).

<sup>6</sup> See Domestics' Notice to Participate at 2; see also Primus Pipe's Notice to Participate at 2.

<sup>7</sup> See Domestic Interested Parties' Letter, "Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China, Second Review: Substantive Response to Notice of Initiation," dated June 28, 2019.

<sup>8</sup> See Primus Pipe's Letter, "Welded Stainless Steel Pipe Sunset Review: 2<sup>nd</sup> Review for China AD/CVD; 1<sup>st</sup> Review for Vietnam, Thailand and Malaysia; Substantive Response to Notice of Initiation," dated July 5, 2019.

351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the *Order*.

#### Scope of the *Order*

The merchandise covered by this order is circular welded austenitic stainless pressure pipe not greater than 14 inches in outside diameter.

The subject imports are normally classified in subheadings 7306.40.5005, 7306.40.5040, 7306.40.5062, 7306.40.5064, and 7306.40.5085 of the Harmonized Tariff Schedule of the United States (HTSUS). They may also enter under HTSUS subheadings 7306.40.1010, 7306.40.1015, 7306.40.5042, 7306.40.5044, 7306.40.5080, and 7306.40.5090. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope is dispositive.<sup>9</sup>

#### Analysis of Comments Received

A complete discussion of all issues raised in this sunset review, including the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy rates likely to prevail if the *Order* were to be revoked, is provided in the accompanying Issues and Decision Memorandum, which is hereby adopted by this notice.<sup>10</sup> A list of the topics discussed in the Issues and Decision Memorandum is attached as an Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In

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<sup>9</sup> For a complete description of the scope of the *Order*, see Memorandum, "Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>10</sup> *Id.*

addition, a complete version of the Issues and Decision Memorandum can be accessed on the Internet at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

#### Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(b) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of a net countervailable subsidy at the following rates:<sup>11</sup>

<b>Producers/Exporters</b>	<b>Net Countervailable Subsidy <i>Ad Valorem</i> Rate</b>
Winner Stainless Steel Tube Co. Ltd. (Winner)/ Winner Steel Products (Guangzhou) Co., Ltd. (WSP)/ Winner Machinery Enterprises Company Limited (Winner HK) (collectively, the Winner Companies)	1.10 percent
Froch Enterprise Co. Ltd. (Froch) (also known as Zhangyuan Metal Industry Co. Ltd.)	299.16 percent
All Others	1.10 percent

#### Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials, or conversion to judicial protective order is hereby

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<sup>11</sup> *Id.*

requested. Failure to comply with the regulations and the terms of an APO is violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing the results and notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act and 19 CFR 351.218 and 19 CFR 351.221(c)(5)(ii).

Dated: September 25, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary*

*for Enforcement and Compliance.*

## **Appendix**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. History of the Order
- V. Legal Framework
- VI. Discussion of the Issues
  - A. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
  - B. Net Countervailable Subsidy Rates Likely to Prevail
  - C. Nature of the Subsidy
- VII. Final Results of Sunset Review
- VIII. Recommendation

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